



The Ontario Educational Communications Authority

# ***Annual Report*** ***2009-10***



makes you think

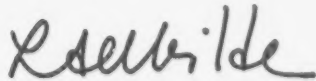


TRANSMITTAL LETTER

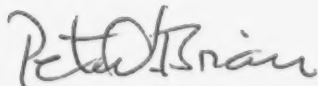
**To: The Honourable Leona Dombrowsky**  
Minister of Education  
Queen's Park

We take pleasure in submitting the Annual Report of the Ontario Educational Communications Authority for the fiscal year April 1, 2009, to March 31, 2010. This is done in accordance with Section 13 of the Ontario Educational Communications Authority Act.

Yours sincerely,



**Lisa de Wilde**  
CEO



**Peter O'Brian**  
Chair of the Board of Directors



# ***Mission and Vision Statements and Educational Policy Priorities***

## ***Mission***

TVO is Ontario's public  
educational media  
organization and a trusted  
source of interactive  
educational content that  
informs, inspires, and  
stimulates curiosity  
and thought.

## ***Vision***

Empowering people  
to be engaged citizens  
of Ontario through  
educational media.

***TVO uses its media resources to support the following  
policy priorities of the Ontario Ministry of Education:***

Contribute to school readiness and help  
kids to be successful learners

Increase the involvement of parents  
in their children's education

Encourage active citizenship and  
public engagement



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## Message from the Chair of the Board of Directors

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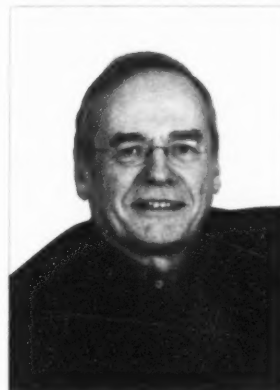
Thanks to the hard work and dedication of management and employees alike, TVO's transformation to a multi-platform media organization is now a reality.

All of us on the Board are impressed by how effectively this transformation was achieved, and how it has enabled TVO to deliver on its commitment to be a more accessible educational media provider that stimulates discovery and engagement.

Along with these changes has come increased emphasis on innovation, efficiency, digital literacy and – most importantly – excellence in everything the organization does for the people of Ontario. It is these ongoing initiatives that are enabling TVO to reap the benefits of Government's investment in new digital technologies and workflow processes.

We applaud the inspired leadership of Lisa de Wilde for guiding TVO's programming to new levels of audience engagement. Without fanfare, she has ushered in a new era that combines thought-provoking content with high viewer appeal. It can be a difficult scale to balance, but Lisa has achieved this aim with great vision and innovation.

The Board of Directors wishes to thank the Government for its ongoing support of TVO. We are confident that with its strong leadership, clear mandate and talented staff, public educational television in Ontario is well positioned in the coming year to create more learning opportunities and more value for all citizens of the province.



Peter O'Brian



# Message from the Chief Executive Officer

*If there is one word to describe TVO's just-completed fiscal year it would be innovative.*

The digital revolution – the best thing that has ever happened to TVO – has reshaped the media landscape. By combining the advantages of digital production, archiving and distribution processes with our in-house expertise in educational media, we are now making a difference in ways unheard of just a few years ago.

## **Creating new value**

If innovation is about creating net new value, about introducing new things or methods that didn't exist before, then this would certainly describe TVO in 2009-10. With our evolution completed from a single TV station to a provider of 5 "channels" of distinctive content, we delivered on our education policy priorities in a manner never before possible.

In 2009-10 people were engaging with TVO content in new and exciting ways. Most of the 400+ hours of in-house, HD-ready TV we produced could be viewed on-demand through our websites TVO.org, TVOParents.com and TVOKids.com.

These are the same internet destinations for which we created over 1,300 pieces of web-exclusive content this year—everything from blogs, animations and articles to maps, games and charts. Many more are becoming informed and engaged with TVO through our growing number of online distribution partnerships, including new deals signed with Rogers On Demand Online and iTunes.

In fact, TVO had more educational video content on websites than anywhere else in the Canadian broadcasting system—and with these new platforms we create more impact and reach more people in more ways. Take *Big Ideas* for example: smart, university-style lectures and talks with a modest but loyal broadcast audience. It became the #1 podcast download in Apple's iTunes Higher Education category. Altogether, TVO programs (including *Big Ideas*) hit 5.8 million podcast downloads this year – clearly our content is highly relevant to online audiences.

## **Building literacy for the 21st century**

Our partnerships with Ontario-based cultural and educational organizations play a big role in extending reach and impact – both for TVO, and for those we associate with. By partnering last fall with Canada's Perimeter Institute for the Quantum to Cosmos (Q2C) festival, for example, we helped make the big questions and issues of scientific and technological discovery accessible and understandable to almost one million people. That's how many curious minds (according to the Institute) we reached via broadcast, web-streaming, video on demand (VOD) and podcasts at the Q2C festival.

Q2C was part of our season-long campaign for building Ontarian's essential 21st-century literacy skills (reading, plus new literacies like political, environmental, scientific and digital) – an initiative that was brought to life throughout all of our programming strands and web communities.

In association with Dr. Janette Pelletier, a leading researcher in early childhood development with the Ontario Institute for Studies in Education (OISE), TVO co-developed and helped launch an ongoing family literacy pilot program. The aim of *Literacy Fun for Families* is to evaluate the effectiveness in immigrant communities of parent/child engagement while using TVOKids literacy programs, games





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and activities. This new aspect to TVO's curriculum-linked educational resources is part of our overall focus on helping new Canadian families get their children ready for the kindergarten classroom.

### Empowering parents

We also helped parents prepare their early learners for successful classroom learning with resources that create a seamless transition between traditional television, the internet (at TVOKids.com, TVOParents.com and through popular content providers like iTunes and Yahoo! Canada) and mobile devices.

For the latter platform, TVO introduced the first educational iPhone application for early learners in Canada, a vocabulary-building game based on TVOKids' *Melvin's Marvellous Words*. Utilizing the Dolch list of common, high-frequency words, this fun and educational activity builds preschoolers' confidence as they begin to read.

Like all made-at-TVO children's content, the *Melvin's Marvellous Words* iPhone app is a safe and classroom-tested educational resource that supports the Ontario school curriculum.

Creating new value was also a key element of TVO's partnership with People for Education and their annual conference, Making Connections. More than just event coverage, TVO played an active role in producing and recording everything from panel discussions moderated by TVOParents host Cheryl Jackson to informal hallway chats with education experts. By capturing this valuable information and advice and making it easily accessible (and shareable) to a wide audience of parents and educators, more people became engaged in children's education issues in Ontario.

### Engaging tomorrow's citizens

For school-age children, TVOKids expanded its interactive *Homework Hotline* segments to include science, in addition to math; *Mark's Moments*, an educational day-in-the-life children's series which introduces young viewers to kids with disabilities, took home the award for Best Children's or Youth Non-Fiction Program or Series at the 24th Annual Gemini Awards; and the foundations of political literacy for the next generation of citizens were laid with *Pillars of Freedom*, a co-produced animated series and web game that teaches school-age kids about democracy – and what it means to be a responsible participant in it.

As always, innovation and our award-winning TVOKids content go hand in hand.

Another highlight from our literacy campaign was the four-part, TVO-commissioned documentary *Empire of the Word*, a fascinating exploration into the foundation of literacy: the simple act of reading. In addition to being an outstanding example of TVO's support for the work of independent filmmakers in Canada, *Empire* also provided the basis for an immersive online gaming experience, *Lekha's Journey*. With an emphasis on global interaction and self-directed exploration, this virtual reality game provided a unique learning experience far removed from the usual program "tie-in" website. *Lekha's Journey* also points to new directions TVO will be taking in the world of educational gaming "interactives."

## **Making Ontario's communities stronger**

Journeys of another kind saw TVO build on the successful introduction last year of *The Agenda with Steve Paikin: On the Road* tour. At stops in London, Brockville and Timmins, we asked community members to lead the multi-platform discussion on how they envisioned Ontario in the 21st century. And to ensure these were province-wide conversations, we added more social media tools to allow the ideas and strategies being devised by participants to be uploaded in real time for everyone in the province to view and comment on.

And the response was once again overwhelmingly positive, with one regional newspaper headline declaring, "TVO helped us tell our story to Ontario."

The interactive tools that made *The Agenda: On the Road* events so effective highlighted another key component of our literacy campaign: creating awareness and understanding of how digital media impacts civic engagement. A major coup for TVO was becoming home base for Jesse Brown's irreverent (and much-discussed) *Search Engine* podcast and blog, along with the *DigitalU* video series (presented in partnership with [getinvolved.ca](http://getinvolved.ca)) which explores how social media is affecting social change.

When combined with our growing *Civics 101* suite of online resources and *The Agenda's* leading edge discussions on digital media trends, TVO enabled more people to engage in our wired world, in more ways.

The Independent Learning Centre (ILC) was equally at the forefront in championing new directions in online learning. The ILC delivered an expanded version of Ontario's online math *Homework Help* resource, growing from two school boards last year to 15 boards throughout the province in 2009-10. For its many web-based initiatives, the ILC was recognized with an Outstanding Achievement Award in the Education category from the Interactive Media Council.

## **Enabling innovation**

While innovation can happen in any organization, it most frequently occurs in environments where collaboration, skills training and upgrading, and idea sharing are allowed to flourish. This scenario perfectly describes Learning@TVO, an internal "digital workplace" introduced this year to create new opportunities for collaboration around the work we do at TVO. This enabling technology helps TVO employees capture and share knowledge in ways that can benefit us all.

A number of significant TVO innovations – like the literacy-building iPhone app for preschoolers – had their genesis in the IdeaShaker, our hub of media exploration and new thinking. The IdeaShaker also serves as an active link with industry partners, identifying strategic opportunities to extend the TVO brand in fresh new directions.

Throughout the year, citizen engagement remained our overarching priority—on air, online and through our many outreach initiatives. This commitment to making Ontario's communities stronger also underlines TVO's bold new donation strategy introduced this year: the Go Public campaign.



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### Building a sustainable financial model

As we look forward to our 40th year of providing Ontarians with unique learning opportunities through educational media, TVO needs to build a sustainable financial model to enable continued innovation and growth. And a key plank to our financial strategy is Go Public.

This campaign brings a powerful philanthropic message to the "TVO community"—citizens who share our belief in the power of public educational media in Ontario to make a difference. It involves thousands of individuals making financial contributions through donations to TVO, and engages all of our employees at every level.

Since launching Go Public we've seen increased response through all of our donation channels, from direct mail to online. It is a promising beginning to an exciting new era of public engagement in TVO.

### Looking ahead to 2010-11

Just like private sector companies, TVO has an obligation to balance its books and run the organization efficiently for stakeholders. But we also have another important item to account for each year: our mandate to serve the public good. Together, these form TVO's "double bottom line," and in 2010-11 we will be delivering on these commitments in compelling new ways.

For TVO, everything starts with our educational mandate. It's what continues to set us apart, even as our footprint grows across multiple platforms, across the province, across cultures and across traditional programming boundaries.

Every day – on air, online and in the community – we will continue to support three education policy priorities of the province: helping kids become better learners; increasing the involvement of parents in their child's education; and enabling citizen engagement in the province.

The latter will continue to provide a kind of overarching theme to everything we do, and in 2010-11 TVO will build on last year's literacy campaign by making crucial "new literacies" a key focus of our strategy to engage Ontario's citizens in today's important issues.

Science, technology and digital technology impact our lives daily, and in numerous ways: from the environment to internet privacy to economic growth in high-tech sectors. Along with numeracy, they are fundamentally linked to the economic well-being of the province.

Not surprisingly, issues pertaining to scientific research and digital technology are discussed everywhere on the internet. By taking an innovative approach to engaging people in these issues across all of our platforms, we are well-positioned to continue attracting younger generations of digital natives, while encouraging long-time TVO viewers to take a new look at what we offer.

This offering will include re-launched websites for TVOParents.com and tvo.org. These will become true web destinations, with fast content searches, greater interactivity and more context on important themes and issues. TVOParents.com, fast becoming the go-to education destination for Ontario parents of young learners, will provide support for the family literacy pilot project outlined earlier in this report. Meanwhile, TVOKids.com (which was relaunched earlier in 2010-11) will provide new learning opportunities online beyond the 7 pm weekday conclusion of our children's daily TV programming.

TVO will move to a 365-day broadcast schedule, offering more viewing options year-round. New Facebook "fan" pages will add to TVO's growing social media communities, while driving more traffic to our websites and YouTube channel. And our leading position in the Canadian documentary film industry will be reinforced with the creation of an online "salon" to support and engage established and emerging independent filmmakers alike.

We will launch *Parent2Child*, a web resource that enables parents to create a customized playlist to support their children's learning. Our Independent Learning Centre will expand the Homework Help service, and leverage digital elements to strengthen a blended learning model. As always, helping kids and ILC High School students be successful learners and supporting parental involvement in children's education remains a top priority for TVO.

Building digital skills and increasing digital literacy throughout TVO will be a key organizational focus, as will be seeking efficiencies and optimizing the new digital tapeless workflow processes and systems.

The launch of our exciting new Go Public philanthropy strategy this year is a key component of our commitment to developing new self-generated revenue streams, and to building a sustainable financial model for the future. Go Public, and its powerful message of making a difference by supporting all the good things that public educational television does in Ontario, will be fully integrated into all of our activities: broadcast, web, community outreach and stakeholder relations.

In addition, we are ensuring that TVO is well positioned for incremental online revenue models with our digital distribution partnerships. We will continue to work hard to streamline our organization, and to offer Ontarians value for money.

In our 40th year of operations, TVO will be simultaneously looking back and reaching forward with the launch of our public archive – an outstanding educational resource for exploring Ontario's recent past. Meanwhile, plans for the final component of our digital transition – over the air transmission – will be finalized in alignment with the Canadian broadcasting industry at large.



Lisa de Wilde





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## ***TVO's Key Effectiveness Areas:***

1. Public Engagement
2. Quality Educational Experience
3. Great Place to Work
4. Operational Effectiveness
5. Innovation and Strategic Growth
6. Financial Performance

### ***1. Public Engagement***

At TVO, we believe educational media can be a powerful force for good. The unique learning opportunities we created in 2009-10 for kids, parents and citizens at large are what make TVO integral to the fabric of Ontario society.

#### **TVO reach and impact**

- TVO reached over 11 million people aged 2+ on TV.
- In addition to over 400 hours of original, in-house broadcast content (most of which is also available online) TVO produced over 1,300 pieces of web-exclusive content.
- TVO's websites were accessed by over four million unique visitors, and served over four million video streams.
- Our programming is being consumed, shared and discussed by more people in more ways than ever, with 5.8 million podcast downloads in 2009-10.
- TVO's YouTube channel served 425,000 video streams.
- TVO produced, presented or participated in 157 outreach opportunities in 27 Ontario communities, with 77 of those events occurring outside of the GTA.
- TVO's season-long literacy campaign focused on building essential 21st-century literacy skills for all Ontarians, featuring integrated content throughout our programming schedule, websites and in-person community events.

## Kids

- TVO's educational programs for children reached 1.2 million kids aged 2-11.
- Introduced new literacy-based programs and integrated web activities for preschool and school-age kids: *Sir Readsalot* and *What's the Scoop*.
- TVOKids' Reading Challenge encouraged kids to log all the minutes they spent reading. Challenge quickly surpassed its 100,000 minute goal, with the bar now set to one million minutes.
- TVOKids went out into the province for interactive learning events in Ontario communities: TVOKids' *Don't Sit Still* tours to promote healthy lifestyles; "Ask an Astronaut" at the Quantum to Cosmos science festival; The Word on the Street book festival; Earth Hour stage show at the Ontario Science Centre; plus TVOKids field shoots in communities visited by *The Agenda with Steve Paikin: On the Road*.
- TVOKids *Get Ready for School* series launched on iTunes.
- New host Kara Harun was introduced in our school-age block, *The Space*.

## Parents

- Special all-day programming in support of Family Literacy Day encouraged kids and parents to spend time reading together.
- TVOParents.com was presenting partner for Making Connections, the annual conference on public education presented by the parent-led People for Education, offering parents and educators front-row access to education and early-years experts.
- TVOParents made a return visit to CFB Petawawa, and joined *The Agenda* at the Quantum to Cosmos science festival in Waterloo and On the Road in Timmins, to connect with Ontario's parents at the community level.

## Adults

- *The Agenda with Steve Paikin: On the Road* series continued with stops in London, Brockville and Timmins, engaging communities and citizens across the province in forward-looking discussions about Ontario's economic future.
- Partnered with the Perimeter Institute's Quantum to Cosmos festival to bring innovations in science and technology to a mass audience: nearly one million people reached via multiple platforms.
- Launched the *Civics 101* suite of resources to make learning about the fundamentals of government an engaging and fun online experience for everyone—from newcomers to Canada to anyone with an interest in the political process, including Grade 10 civics students.
- Building on our partnership with the [getinvolved.ca](http://getinvolved.ca) volunteering community, TVO introduced a series of short videos called *DigitalU*, which serve as a valuable primer on the world of social media tools and interaction.
- Added the popular *Search Engine with Jesse Brown* podcast and blog to our growing collection of resources focused on digital literacy.
- We continue to strongly support talented independent Canadian documentary filmmakers, with the acclaimed four-part TVO-commissioned *Empire of the Word* (along with its immersive online experience) serving as a high point of our literacy campaign.
- In addition, a revamped TVO/NFB Calling Card program opened up opportunities for documentary filmmakers working in multi-platform formats.
- TVO's Water Week focused on environmental literacy-themed content, asking the question "is water a human right or a commodity?"



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## 2. Quality Educational Experience

Developed with the rigorous TVOKids Educational Blueprint process, our award-winning made-at-TVO children's programs and 160+ TVOKids.com educational games equipped kids for success in the classroom, while TVOParents.com empowered parents and caregivers to take an active role in supporting their children's formal education. The Independent Learning Centre (ILC) delivered quality curriculum that engages the 21st-century learner, while also delivering online math tutoring to thousands of grade 7 to 10 students in the Province.

### TVOKids/TVOParents

- Expanded Homework Hotline to include science, in addition to math.
- Launched a new TVO/Ontario Institute for Studies in Education (OISE) pilot project in Peel Region, *Literacy Fun for Families*, with the aim of equipping new Canadian families with essential literacy and numeracy-building tools and skills to prepare early learners for the kindergarten classroom.
- Received a record-breaking number of nominees from the Ontario post-secondary community for the 2010 TVO *Best Lecturer Competition*.

### The Independent Learning Centre (ILC):

- Delivered an expanded version of Ontario's online math Homework Help resource ([homeworkhelp.ilc.org](http://homeworkhelp.ilc.org)) for kids in designated school boards, growing from two boards in the previous year to 15 boards throughout the province, including 25 schools in the TDSB. 90 math tutors helped over 83,000 kids in grades 7 to 10, 4 hours a night, 5 nights a week.
- 101,655 high school students registered for English, Math and Science help with *Ask a Teacher*.
- Delivered a total of 18 courses: 12 in English and 6 in French amounting to 1,980 hours of formal education.
- Increased enrolments by 15% ending the year for a total of 22,959.
- Served over 5,100 students (enrolled in over 6,200 courses) who already have a diploma and need specific credits for post-secondary entry.
- GED registrations increased by 6% for a total of 6,973.
- Won an Outstanding Achievement Award in the Education category for ILC.org from the Interactive Media Council.
- Over 420,500 unique web visits to ILC.org.
- Increased outreach into the post-secondary system by establishing relationships with Contact North, Ontario College Application System (OCAS), George Brown College, Ryerson University and the Ontario University Registrars' Association.



### ***3. Great Place to Work***

We are building a high-performance learning organization defined by an enriching and exciting environment. Opportunities for learning and growth are a fundamental part of this culture, and in 2009-10 we committed to equipping our employees to be adaptable and ready to meet the challenges of our ever-changing world.

- Introduced an annual Employee Survey and action plan process for continuous improvement.
- Launched new employee intranet, with greater interactivity and more ways to collaborate and share information, including new social media features like the Learning@TVO community.
- Thanks to training opportunities, more TVO employees began to deploy our new "tapeless" digital workflow processes.

### ***4. Operational Effectiveness***

With TVO's digital in-house production facility and digital asset management capacity, we now have the tools to efficiently create, edit, repurpose and distribute our unique content for maximum impact over multiple digital platforms.

In 2009-10, all of the pieces of this digital "tapeless" workflow process (DTW) were put into place, and began to bear fruit:

- Over 7,500 hours of content were put into TVO's digital archive.
- 7,840 hours of content went to air from TVO's digital archive.
- Over 2,500 podcasts and videos were delivered to web properties and partners.
- Over 200 hours of finished TV content was produced, archived and broadcast "tapelessly".
- TVO's HD digital Master Control was completed.
- Planning continued for the digital over-the-air (OTA) transition in 2011, in alignment with the Canadian broadcasting industry at large.



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## 5. Innovation and Strategic Growth

With new distribution partnerships with leading digital companies put in place in 2009-10, we extended our brand, increased public engagement and took our unique content to vast new audiences, providing longer term revenue potential.

- Broadened partner relationship with Apple iTunes and iTunes U by signing a deal with E1 Entertainment, an entertainment and content distribution company that is facilitating the delivery of TVOKids content into the iTunes TV store, where we are selling our *Get Ready for School* episodes.
- TVOKids programs have launched on the Ameba TV platform, including *Magi Gi*, *Jay & Melvin* and *Nonna Fortuna*.
- TVO's IdeaShaker lab continued to be our hub of focused media exploration and innovation: e.g. TVO was the first Canadian broadcaster to launch an educational iPhone application for early learners.
- TVOKids educational programming is now available to Rogers customers as part of Rogers On Demand Online.
- Launched the *Think Again* podcasts, TVO's first foray into repackaging/reimagining our vast 40 year archive for a modern audience.

## **6. Financial Performance**

To be both impactful and innovative in the multi-platform educational media space, TVO focused on building a sustainable financial model for the future. This model includes increasing self-generated revenues and finding efficiencies.

Tough economic conditions early in 2009-10 negatively impacted TVO's donation and sponsorship revenues, but we responded to these challenges by implementing a new philanthropic direction to our donor strategy. And since launching our Go Public campaign in February 2010, we've seen increased response through all of our donation channels.

These same tough economic conditions had a positive impact on ILC revenues, where demand for retraining was reflected in increased enrolment in both high school courses and GED high school equivalency testing.

While working hard to generate revenues during a challenging year, TVO took the time to lay the ground work for increasing self-generated revenues in the future:

- Signed and began delivering content under five new online partnerships with Ameba TV, E1 Entertainment, Mongrel Media, Rogers and RIM. This builds on existing partnerships with iTunes, YouTube and Yahoo! Canada.
- TVO introduced its Go Public campaign that calls on people across Ontario who share our vision to Go Public with their support by making a donation to public educational television in the province.
- Applied to the CRTC for a specialty channel/diginet channel license to launch a TVOKids+ channel for distribution by cable and satellite carriers across Canada.

During 2009/10 we continued to examine expenses and identified cost savings through the streamlining of additional processes and the elimination of 14 full-time positions (4% of TVO's full-time employees).

Financial results can be found in the Financial Statements beginning on page 27.



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TVOKids' *Mark's Moments*, an educational day-in-the-life children's series which introduces young viewers to kids with disabilities, was recognized with multiple awards:

### 24th Annual Gemini Awards

\*\*\*

Best Children's or Youth Non-Fiction Program or Series  
TVOKids' *Mark's Moments*

\*\*\*

(TVO programs received nine Gemini Award nominations in total)

### ACT Awards

\*\*\*

Award of Excellence in All Genres, Ages 6-8  
TVOKids' *Mark's Moments*

### "Camp Bucko" Appreciation Award TVOKids' *Mark's Moments*

\*\*\*

"For an outstanding show promoting an understanding of  
burn injuries and encouraging compassion and acceptance  
towards young burn survivors"

In addition, TVO was recognized for these outstanding achievements:

### **2010 Crystal Awards (Radio Marketing Bureau)**

\*\*\*

Silver medal (January 2009)

*Mysteries of the Mind Week* radio agency campaign

Spots: Xylophone, Two Pages, Learn Spanish

### **City Parent Magazine**

\*\*\*

Voted Best Family TV Station by City Parent Magazine readers

### **2009 Promax/BDA Promotion and Marketing Awards**

\*\*\*

Silver award

Content Promotion - Children's Programming Live Action (Single)

*Melvin Behind the Scenes*

\*\*\*

Bronze award

Content Promotion - Daypart/Block of Programs Spot (Single)

*Difference for Difference* (Docs at 10)

### **Hot Docs 2009 International Documentary Festival**

\*\*\*

Top prize for Best Canadian Feature

*Invisible City* (TVO commission)

### **Advertising & Design Club of Canada Annual Awards Show Directions 2009**

\*\*\*

Merit Award - Advertising Broadcast Radio (Single)

*Mysteries of the Mind Week*



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We thank the 51,369 individual donors  
who made financial gifts in support of TVO.

### Corporate and Community Supporters

TVO would like to thank the following corporations and organizations for their outstanding leadership and commitment to our mandate:

#### The Agenda with Steve Paikin Partners

- **Vale Inco and the Institute of Chartered Accountants of Ontario (ICAO)**

Vale Inco & ICAO are the proud presenting sponsors of TVO's flagship current affairs program, *The Agenda with Steve Paikin*. On air, online and in the community, there is no other program on television today with the depth of analysis and dedication to citizen engagement as *The Agenda*.

#### Homework Partner

- **RBC – Ask a Teacher**

RBC is the proud supporter of *Ask a Teacher*. TVO's free help-with-homework online service gives students one-on-one assistance from certified teachers five nights a week. Students can also practice needed skills in math, science and literacy, or try a variety of exercises in preparation for standardized provincial tests.

#### Children's Literacy Partner

- **TD Bank Financial Group – TD Reading Rangers/Gisèle's Big Backyard Book Club**

The TD Bank Financial Group is the proud presenting partner of *TD Reading Rangers*. This entertaining on-air and online series promotes books, reading and libraries to the children of Ontario. Boosting literacy, language skills and social development, the series features the popular TVOKids hosts as *Reading Rangers* – daring and dauntless heroes of the Wild West who make books their business!

TD Bank Financial Group's commitment to literacy also extends to *Gisèle's Big Backyard Book Club*, which inspires early learners and their parents to read every day, and in everyday situations. Every month Gisèle reads a new book out loud to young viewers, encouraging families to visit the local public library to find the featured title and also join the book club online at TVOKids.com. The books, all by Canadian writers, are selected by the Ontario Library Association and TVO's own consultants, and cover a wide range of topics that reflect Canada's rich cultural diversity.

#### Healthy Minds – Healthy Bodies Partners

- **EatRight Ontario and Egg Farmers of Ontario – TVOKids' *Don't Sit Still* Tour**

Presented by EatRight Ontario, with sponsorship in part by Egg Farmers of Ontario, the TVOKids *Don't Sit Still* tour travels with the TVOKids hosts across Ontario to present a free live stage show that promotes a healthy and active lifestyle to kids of all ages. This high-energy interactive performance inspires children – and even their parents – to stay active and eat healthy.

Funded by the Government of Ontario, EatRight Ontario offers both telephone and website services with evidence-based nutrition information and free advice. Ontarians can speak one-on-one with a Registered Dietitian on Monday to Friday from 9 to 5, and on Tuesday and Thursday evenings until 9 pm by calling 1-877-510-5102 toll-free. The EatRight Ontario Call Centre has the capacity to serve Ontario callers in more than 110 languages and the online "ask-a-dietitian" service available at [ontario.ca/eatright](http://ontario.ca/eatright) provides answers to questions within 48 hours.

Egg Farmers of Ontario is a farmer-run association dedicated to providing Ontarians with local, fresh and high quality eggs at a reasonable price.

#### TVO's Best Lecturer Competition Partner

- **TD Insurance Meloche Monnex**

TD Insurance Meloche Monnex is the proud presenting partner of TVO's annual *Best Lecturer Competition*. The competition offers students and alumni an opportunity to celebrate the college and university professors whose lectures they believe to be exceptional. This exciting competition features professors hailing from all corners of the post-secondary community in domains ranging from philosophy to food science, sports management to medicine, astronomy to psychology. The top 10 finalists deliver their winning lectures on TVO's *Big Ideas* during a gripping 5-week pursuit of academia's latest sought-after award. It is then up to TVO viewers to vote online to crown Ontario's Best Lecturer.

#### Presenting Partner

- **Health Council of Canada**

Health Council of Canada is mandated to monitor and report on the progress of changes to Canada's publicly funded health care system which governments committed to in 2003 and 2004. TVO is proud to be running a series of Health Council of Canada shorts in prime time that aim to inspire and inform Ontarians to maintain good health and to understand and feel confident in the sustainability of the Canadian health care system. These shorts are developed to showcase efforts being made to provide equitable, effective and safe healthcare that will enhance the overall health of Canadians.

TVO would like to recognize the following content and curriculum partners for their support:

- AGO (Art Gallery of Ontario)
- Brock University
- Canada's National Ballet School
- Canadian Veterinary Medical Association
- Confederation College
- Friends of the Greenbelt Foundation
- HIPPY Canada
- Kids Help Phone
- Let's Talk Science – Wings of Discovery
- Martin Prosperity Institute
- The Maytree Foundation
- Media Awareness Network – Ottawa
- Ontario Institute for Studies in Education (OISE)
- Ontario Library Association
- Ontario Physical and Health Education Association
- Ontario Science Centre
- Royal Ontario Museum
- Sault College
- ScribbleLive
- Settlement.Org
- Sheridan High/Scope Teacher Education Centre
- Sprockets Toronto International Film Festival for Children
- Toronto District School Board
- Toronto Public Library
- The Toronto Zoo
- University of Toronto – Munk Centre for International Studies
- University of Waterloo
- York Region District School Board
- York University





# Salary Disclosure

OECA 2009-10  
Annual Report

OECA employees paid \$100,000 or more in 2009:

	NAME:	POSITION:	SALARY	TAXABLE BENEFITS
Letter to the Minister of Education	AQUINO, EDNA	Controller	\$100,579	\$846
	ARNOLD CLARA	Vice President, Human Resources	\$155,500	\$1,308
TVO Mission and Vision/ Educational Priorities	CAREY-LEE YVONNE	Chief Financial Officer	\$104,635	\$768
	CHAPELLE, NANCY	Managing Director, Content & Programming	\$167,176	\$5,944
Messages from the Chair and CEO	DE WILDE, LISA	Chief Executive Officer	\$269,454	\$2,034
Performance Highlights	DUNSKY, DAN	Executive Producer, The Agenda with Steve Paikin	\$137,112	\$1,153
Awards and Honours	ELLINGSON, PAT	Creative Head, Children's Media Content & Programming	\$143,689	\$1,208
Donor and Sponsor Recognition	IRWIN, SARAH	Managing Director, Independent Learning Centre	\$134,719	\$1,156
Salary Disclosure	JONES, BRUCE	Director, Independent Learning Centre Interactive	\$114,327	\$951
Board of Directors	KEHOE, JILL	Vice President, Corporate Relations	\$120,000	\$1,008
Regional Councillors Advisory Board	KRAMER, ERIKA	Vice President, Distribution Services	\$125,000	\$4,233
	LEBLANC, MARK	Director, Legal Services & Business Affairs	\$134,737	\$1,133
Financial Performance	PAIKIN, STEVE	Host/Producer	\$258,293	\$5,429
	PIRROTTA, SARAH	Manager, Corporate Sponsorship	\$111,289	\$668
	RAYMENT, STEVE	Director, Marketing	\$135,601	\$1,113
	ROBINSON, JUDITH	Director, Curriculum	\$112,115	\$961
	SLIVINSKAS, TODD	Chief Technology Officer	\$148,500	\$1,249
	TRAMONTIN, MARA	Director, Program Business Management	\$124,916	\$1,071
	WARTH, PETER	Manager, Engineering	\$100,681	\$846
	WONG WINNIE	Vice President, Business Development, Revenue & Marketing	\$128,711	\$2,010

Prepared in accordance with the Public Sector Salary Disclosure Act, 1996



# Board of Directors

## Peter O'Brian

President, Independent Pictures Inc.  
Toronto

*Chair of the Board  
(Audit & Governance Committees)*

First term: November 1, 2005 – October 31, 2008

Second term: November 1, 2008 – October 31, 2011

## Ajay Agrawal

Professor of Entrepreneurship, Rotman School of Business  
Toronto

*Member (Audit Committee)*

First term: April 11, 2007 – April 10, 2010

## Nana Barnor

Pediatrician, Humber River Regional Hospital  
Toronto

*Member (Governance Committee)*

First term: April 11, 2007 – April 10, 2010

## Judy Blank

Retired teacher  
St. Catharines

*Member (Governance Committee)*

First term: June 27, 2007 – June 26, 2008

Second term: June 27, 2008 – June 26, 2011

## Penny Eizenga

Retired executive  
London

*Member (Governance Committee)*

First term: May 16, 2007 – May 15, 2010

Second term: May 16, 2010 – May 16, 2011

## Kambiz Kazemi

Polar Securities  
Toronto

*Member*

*(Chair of the Audit Committee since September 20, 2007)*

First term: April 11, 2007 – April 10, 2010

Second term: April 11, 2010 – April 10, 2014

## Diane Kelly

General Counsel, Queen's University  
Kingston

*Vice-Chair*

*(Chair of the Governance Committee since February 26, 2009)*

First term: May 30, 2007 – May 29, 2010

Second term: May 30, 2010 – May 29, 2014

## Ray Paradis

Retired teacher  
Temiskaming Shores

*Member (Audit Committee)*

First term: June 27, 2007 – June 26, 2008

Second term: June 27, 2008 – June 26, 2011

## Judith Robertson

President and CEO, Belzberg Technologies Inc.  
Toronto

*Member (Audit Committee)*

First term: May 9, 2007 – May 8, 2010

Second term: May 9, 2010 – May 8, 2014

The honorarium paid to the Board in 2009-10 was \$21,675, including the part-time Chair.

This amount is based on levels of remuneration set by the Lieutenant Governor in Council.



## **Regional Councillors Advisory Board**

OECA 2009-10  
Annual Report

Representing the major economic regions of the Province, our unique volunteer advisory network is an integral part of our community outreach, helping to deliver our message to citizens across the province and providing valuable local community feedback on our programs and services.

Letter to the  
Minister of Education

TVO Mission and Vision/  
Educational Priorities

Messages from  
the Chair and CEO

Performance Highlights

Awards and Honours

Donor and Sponsor  
Recognition

Salary Disclosure

Board of Directors

Regional Councillors  
Advisory Board

Financial Performance

**Steve Andrusiak**, London

**Calvin Bowry**, Kingston

**Janice Brant**, Deseronto

**Jorge Campos**, Willowdale

**Jae Chong**, Richmond Hill

**Keith Clingen**, Martintown

**Jean Foster**, Windsor

**Tony Gaspar**, Manitouwadge

**Art Grady**, Port Elgin

**Colette Grant**, Rockland

**Kem Hamid**, Markham

**David Holmes**, Oakville

**Margaret Howard**, Leith

**Thando Hyman**, Scarborough

**Sona Khanna**, Oakville

**Eugene Lefrancois**, Kaministiquia

**Mark Mannisto**, Sudbury

**Rick McCutcheon**, Little Current

**Andy Merchant**, Thornhill

**Lise Moore Asselin**, Mattawa

**Tamara Needham**, Marathon

**Upali Obeyesekere**, Toronto

**Monika Osinska**, Toronto

**Kim Pirie-Milko**, Kenora

**Gary Rainbird**, Sault Ste. Marie

**Stewart Wayne Sinclair**, Chatham

**Donna Smith**, Markstay

**Sheila Soden**, Cobourg

**Marc St. Germain**, Ottawa

**John Storm**, St. Catharines

**Pam Wolf**, Cambridge

**Greg York**, Mississauga

The Ontario Educational Communications Authority

# ***Financial Performance***



makes you think



# Financial Performance

OECA 2009-10  
Annual Report

## Management's Responsibility for Financial Statements

A letter from the Chief Executive Office on behalf of Management

Letter to the  
Minister of Education

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Educational Priorities

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Financial Performance

### Management's Responsibility For Financial Statements

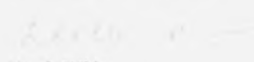
The accompanying financial statements of the Ontario Educational Communications Authority have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to June 1, 2010.

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities. The Internal Audit Department independently evaluates the effectiveness of these internal controls on a periodic basis and reports its findings to management and to the Board of Directors.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board reviews and approves the financial statements. The Audit Committee of the Board meets periodically with management, Internal Audit, and the Office of the Auditor General of Ontario to discuss audit, internal control, accounting policy, and financial reporting matters.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report, which appears on the following page, outlines the scope of the Auditor General's examination and opinion.

On behalf of Management:

  
Lisa de Wilde  
Chief Executive Officer

2180 Yonge Street, Box 200, Station Q, Toronto ON, Canada M4T 2T1 t 416 484 2600

A letter from the Office of the Auditor General of Ontario



### Auditor's Report

I have audited the statement of financial position of The Ontario Educational Communications Authority as at March 31, 2010 as well as the statement of operations, the statement of changes in equity and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario  
June 1, 2010

Deall

Gary R. Peall, CA  
Deputy Auditor General  
Licensed Public Accountant



## Financial Performance

### Statement of Financial Position

As of March 31, 2010

(\$000s)	2010	2009
<b>Assets</b>		
<b>Current Assets</b>		
Cash and short-term investments (note 3)	11,428	17,226
Accounts receivable (note 3)	906	826
Prepaid expenses	942	642
Inventories	150	211
	<b>13,426</b>	<b>18,905</b>
<b>Broadcast rights and production costs (note 7)</b>	<b>17,162</b>	<b>17,511</b>
<b>Accrued pension asset (note 4)</b>	<b>1,110</b>	-
<b>Investments held for Capital Renewal (note 5)</b>	<b>5,692</b>	<b>7,757</b>
<b>Net Capital Assets (note 6)</b>	<b>19,719</b>	<b>22,301</b>
<b>Total Assets</b>	<b>57,109</b>	<b>66,474</b>
<b>Liabilities And Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	8,100	9,184
Deferred revenue (note 8)	1,374	1,064
	<b>9,474</b>	<b>10,248</b>
<b>Non-Current Liabilities</b>		
Deferred capital contributions (note 9)	16,052	19,364
Employee future benefits (note 4)	8,873	8,240
Asset retirement obligation (note 6)	1,136	1,075
Accrued pension liability (note 4)	-	430
	<b>26,061</b>	<b>29,109</b>
<b>Equity</b>		
Invested in broadcast rights and production costs	16,883	17,190
Invested in capital assets	8,101	9,538
Restricted - Accrued pension asset/(liability)	1,110	(430)
Unrestricted	(4,520)	819
	<b>21,574</b>	<b>27,117</b>
<b>Total Liabilities and Equity</b>	<b>57,109</b>	<b>66,474</b>

Commitments and Contingencies (notes 14 and 17).  
See accompanying Notes to Financial Statements.

On behalf of the Board:

Chair

Director

## Statement of Operations

For the year ended March 31, 2010

(\$000s)	2010	2009
<b>Revenues</b>		
Government operating grants (note 10)	37,640	38,887
Independent Learning Centre (note 16)	9,984	9,068
Other earned revenue (note 12)	7,419	9,563
Government and corporate project funding (note 11)	1,879	2,867
Amortization of deferred capital contributions (note 9)	2,633	2,625
	<b>59,555</b>	<b>63,010</b>
<b>Expenses</b>		
Content and programming	26,260	25,397
Technical and production support services	13,452	12,726
Independent Learning Centre (note 16)	9,513	8,803
Management and general expenses	6,001	6,200
Cost of other earned revenue (note 12)	2,454	2,847
Amortization of capital assets and accretion expense	5,195	5,228
Employee future benefits (note 4)	2,223	2,018
	<b>65,098</b>	<b>63,219</b>
<b>Deficiency of revenues over expenses</b>	<b>(5,543)</b>	<b>(209)</b>

See accompanying Notes to Financial Statements.



## Financial Performance

### Statement of Changes in Equity

For the year ended March 31, 2010

(5000s)	2010					2009
	Invested in Broadcast Rights and Production Costs	Invested in Capital Assets	Restricted Accrued Pension Asset/ (Liability)	Unrestricted	Total	Total
Balance, beginning of year	17,190	9,538	(430)	819	27,117	28,351
Excess/(deficiency) of revenues over expenses	(10,121)	(2,526)	(1,485)	8,589	(5,543)	(209)
Invested in assets during the year	9,814	1,089	-	(10,903)	-	-
Pension contributions	-	-	3,025	(3,025)	-	-
Settlement with OFECA	-	-	-	-	-	(1,025)
<b>Balance, end of year</b>	<b>16,883</b>	<b>8,101</b>	<b>1,110</b>	<b>(4,520)</b>	<b>21,574</b>	<b>27,117</b>

See accompanying Notes to Financial Statements.



# Statement of Cash Flows

For the year ended March 31, 2010

(\$000s)	2010	2009
<b>Operating Activities</b>		
Deficiency of revenues over expenses	(5,543)	(209)
Add/(deduct) non-cash items:		
Amortization of capital assets	5,134	5,169
Accretion expense	61	59
Amortization of deferred capital contributions	(2,633)	(2,625)
Amortization of broadcast rights and production costs	10,163	9,581
Pension expense	(1,540)	824
Post retirement benefits	633	1,148
(Gain)/Loss on disposal of capital assets	(36)	26
Net changes in non-cash working capital:		
Accounts receivable	(80)	293
Inventories	61	(89)
Prepaid expenses	(300)	(140)
Deferred revenue	310	216
Accounts payable and accrued liabilities	(1,084)	(503)
<b>Cash provided by operating activities</b>	<b>5,146</b>	<b>13,750</b>
<b>Investing and Financing Activities</b>		
Broadcast rights additions	(9,814)	(10,714)
Capital asset additions	(2,556)	(4,340)
Current year's deferred capital contributions	1,386	1,603
Proceeds from disposal of capital assets	40	44
Settlement with OFECA	-	(1,300)
<b>Cash used in investing and financing activities</b>	<b>(10,944)</b>	<b>(14,707)</b>
<b>Net (decrease) in cash position during the year</b>	<b>(5,798)</b>	<b>(957)</b>
<b>Cash and short-term investments, beginning of year</b>	<b>17,226</b>	<b>18,183</b>
<b>Cash and short-term investments, end of year</b>	<b>11,428</b>	<b>17,226</b>

See accompanying Notes to Financial Statements.



# Financial Performance

## Notes to Financial Statements

March 31, 2010

### 1. AUTHORITY AND MANDATE

The Ontario Educational Communications Authority (the "Authority") is a Crown Corporation of the Province of Ontario that was created in June 1970 by the Ontario Educational Communications Authority Act. In accordance with the Act, the Authority's main objective is to initiate, acquire, produce, distribute, exhibit or otherwise deal in programs and materials in the educational broadcasting and communications fields. The Authority is licenced by the Canadian Radio-television and Telecommunications Commission ("CRTC") to broadcast English-language educational television programs. The broadcasting licence is subject to renewal by the CRTC and the current licence is for the period September 1, 2008 to August 31, 2015.

The Authority is a registered charitable organization which may issue income tax receipts for contributions. As a Crown Corporation of the Province of Ontario, the Authority is exempt from income taxes.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements of the Authority have been prepared by management in accordance with Canadian generally accepted accounting principles.

#### (b) Inventories

Maintenance supplies and media tapes are valued at cost where cost is determined on a first-in-first-out basis, net of an allowance for obsolescence.

#### (c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on a straight line basis over the following terms beginning the year following acquisition:

#### Capital Assets

Building	30 years
Transmitters	17 years
Transmitter Monitoring Equipment	7 years
In House Technical Equipment	7 years
Leasehold Improvements	5 years
Computer Equipment	5 years
Office Furniture & Fixtures	15 years
Office Equipment	10 years
Vehicles	5 years

#### **(d) Revenue Recognition**

1. Operating grants are recognized as revenue in the fiscal year in which they are received or receivable, with the exception that amounts relating to a future period are deferred and reported as revenue in that later period.
2. Revenues received in the year for special purposes are deferred until the related expenses have been incurred.
3. Revenue from grants and contributions restricted for the purchase of capital assets is deferred and amortized over the same period of use as the related capital asset.
4. Revenue from the licensing of program material is recognized when the program material is delivered.
5. Individual donations are recorded on a cash basis. Contributions from corporate sponsors are recognized when the contract is signed, except multi-year contributions that are recognized when the cash is received.
6. Revenue from sponsorship is recognized when the content is broadcast or webcast.
7. Student fees for courses and General Education Development testing are recognized as revenues at the time of registration.

#### **(e) Employee Future Benefits**

The Authority accrues its obligations under employee defined benefit pension plans and the related costs, net of plan assets. The following policies have been adopted:

1. The cost of pension benefits and other post retirement benefits is determined by independent actuaries based on management's best estimate assumptions using the projected benefits method prorated on service.
2. Past service costs and any transitional asset or obligation are amortized over the expected average remaining service period of active plan members.
3. Actuarial gains (losses) are recognized to the extent that they exceed 10% of the greater of the accrued benefit obligation and the fair value of plan assets. Amounts recognized are amortized over the expected average remaining service period of active plan members.
4. The expected return on plan assets is based on the fair value of plan assets.

#### **(f) Broadcast Rights and Production Costs**

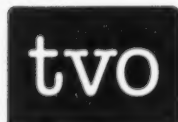
Broadcast rights and production costs are accounted for as follows:

- Current events and network promotion programs produced by the Authority are expensed in the year the costs are incurred.
- All other programs produced by the Authority and programs licensed under co-production, pre-buy and acquisition contracts are recorded at cost less accumulated amortization. Amortization is calculated on a straight line basis over four years.

#### **(g) Financial Instruments**

The Authority's financial instruments consist of cash, short-term investments including those held for capital renewal, accounts receivable, and accounts payable and accrued liabilities. Under Canadian generally accepted accounting principles financial instruments are classified into one of five categories – available-for-sale, held-for-trading, held-to-maturity, loans and receivables, or other financial liabilities. The Authority classifies its financial assets and liabilities as follows:

- Cash and short-term investments, including those held for capital renewal, are classified as held-for-trading and are measured at fair value. It is management's opinion that their carrying amounts approximate fair value because the investments are not exposed to significant interest rate, liquidity, credit, or currency risks (note 3).
- Accounts receivable are classified as loans and receivables and, due to their short-term maturities, it is Management's opinion that their carrying amount approximates fair value.
- Accounts payable and accrued liabilities are classified as other financial liabilities and, due to their short-term maturities, it is Management's opinion that their carrying amount approximates fair value.



# Financial Performance

## Notes to Financial Statements

March 31, 2010 (continued)

### (h) Asset Retirement Obligation

The Authority recognizes a liability for future decommissioning of its transmitter and low power repeat transmitter ("LPRT") facilities.

### (i) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 3. CAPITAL DISCLOSURES AND FINANCIAL INSTRUMENTS

### Capital Disclosures

In managing capital, the Authority focuses on its liquid resources – cash, short-term investments, and investments held for capital renewal. The Authority's objectives are to have, at the minimum:

- Cash and short-term investments on hand sufficient to meet obligations that are due within the next 45 days.
- Capital renewal investments sufficient to meet approved expenditures from the capital renewal fund for the current fiscal year.

The Authority believes that these levels of liquid resources provide the flexibility to deal with any unexpected adverse developments and to take advantage of opportunities that may arise.

As at March 31, 2010 the Authority met these objectives.

The Authority does not take any significant risks in its investing activities. An Order in Council dated March 9, 1990 limits the type of investments that the Authority may access. Consequently, it invests only in short-term, high-grade, Canadian and U.S. dollar debt instruments. The Authority is not subject to any externally imposed capital requirements.

### Cash and Short-term investments (including those held for capital renewal)

The Authority's investment policy restricts short-term investments to securities issued by or guaranteed as to principal and interest by any province of Canada, the United Kingdom, and the United States of America or deposit receipts, deposit notes, certificates of deposit, acceptances and other similar instruments issued or endorsed by any chartered bank to which the Bank Act (Canada) applies. Consequently, the Authority is not exposed to significant interest rate, liquidity, or credit risks.

Short-term investments, including those held for capital renewal, mature within 365 days, and had an average yield of 0.6% (2009 - 2.4%). U.S. dollar cash and short-term investments totalled \$128,000 (2009 - \$642,000) and were not large enough at any time during the year to expose the Authority to significant currency risks. These amounts were converted to Canadian dollars using an exchange rate of 0.99 (2009 - 1.22).

#### Accounts receivable

Given the amount of Authority's accounts receivable and past experience regarding payments, management believes that the Authority is not exposed to significant credit risk. Accounts receivable consist of the following amounts:

(\$000s)	2010	2009
ILC earned revenue, corporate donations, sales and licensing, tower rentals and transmitter maintenance fees	394	456
Private sector funding	253	70
Net receivable from OFECA	32	70
Others	227	230
	<b>906</b>	<b>826</b>

#### 4. EMPLOYEE FUTURE BENEFITS

The pension and other post-employment benefit plans have the following components:

##### (a) Registered pension plans

- Main Pension Plan – Most employees of the Authority are members of this plan, which consists of three elements – a non-contributory, defined benefit, best average earnings and years of service element; a contributory, defined contribution element; and a non-contributory, defined contribution element.
- Executive Pension Plan – Executives are members of this non-contributory, defined benefit, best average earnings and years of service plan.

##### (b) Supplementary retirement plan

- Certain employees are members of this unregistered and non-contributory plan which funds the portion of pension entitlements in excess of the maximum allowed for registered pension plans under the federal Income Tax Act.

The pensions payable under the defined benefit plans are adjusted for inflation based on the consumer price index up to a maximum of 3% per year.

##### (c) Post-employment benefits plan:

- The Authority offers post-employment benefits such as health care, dental care, and life insurance on a shared cost basis.

The most recent actuarial valuation for funding purposes of the registered defined benefit pension plans was as of January 1, 2009, and the next valuation for funding purposes is no later than January 1, 2012.

## Notes to Financial Statements

March 31, 2010 (continued)

On April 1, 2007 the French language network TFO became independent from the Authority and began to operate as the Ontario French-language Educational Communications Authority ("OFECA"). TFO employees formally became employees of OFECA effective July 1, 2007 and their compensation and benefits were charged to the OFECA effective April 1, 2007. The OFECA established its own pension plan as of July 1, 2007 and an actuarial report on the split of the Authority's pension plan assets and liabilities between continuing and transferring members was filed with the appropriate regulatory authorities. The necessary approvals were obtained in February 2009, and the transfers of assets to the OFECA having a market value of \$4,893,000 from the Defined Benefit part and \$2,713,000 from the Defined Contribution part were completed by November 2009.

Information about the Authority's pension and other benefit plans is presented in the following table.

(\$000s)	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan	
	2010	2009	2010	2009	2010	2009
<b>Plan surplus/(deficit) as of January 1:</b>						
Accrued benefit obligation	(80,518)	(68,353)	(325)	(102)	(8,976)	(9,739)
Fair value of plan assets	77,439	69,190	-	-	-	-
	(3,079)	837	(325)	(102)	(8,976)	(9,739)
<b>Balance of unamortized amounts as of January 1:</b>						
Net transition (asset)/obligation	(4,023)	(4,857)	-	-	691	829
Past service cost	501	604	89	-	-	-
Actuarial (gains)/losses	7,117	3,080	73	(63)	(615)	636
Contributions – Jan 1 to Mar 31	594	-	-	-	27	34
Use of surplus – Jan 1 to Mar 31	-	(94)	-	-	-	-
<b>Accrued pension asset/(liability)</b>	<b>1,110</b>	<b>(430)</b>	<b>(163)</b>	<b>(165)</b>	<b>(8,873)</b>	<b>(8,240)</b>

	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan	
(\$000s)	2010	2009	2010	2009	2010	2009
<b>Disclosed in the Statement of Financial Position as:</b>						
Accrued pension asset/(liability)	1,110	(430)	-	-	-	-
Accounts payable and accrued liabilities	-	-	(163)	(165)	-	-
Employee future benefits	-	-	-	-	(8,873)	(8,240)
<b>Expenses for the year:</b>						
Defined benefit plan	1,485	458	99	41	633	1,148
Defined contribution plan*	364	366	6	5	-	-
<b>Payments made by the Authority:</b>						
Benefit plan premiums	-	-	-	-	107	137
Pension plan contributions*	3,389	-	-	-	-	-
Termination benefits paid	-	-	107	-	-	-
<b>Payments made from the plans:</b>						
Pension benefits paid	3,855	3,861	-	-	-	-
Termination benefits paid	1,841	2,144	-	-	-	-
Transfers to OFECA	7,606	-	-	-	-	-

- \* As a result of the January 1, 2009 actuarial valuation, the Board of Directors, at its June 18, 2009 meeting, approved the payment of pension contributions retroactive to January 1, 2009. Total pension contributions to the Employee Plan and the Executive Plan of the Defined Benefit part was \$3,025,000. Total cash contributions of \$364,000 to the Defined Contribution part of the registered plans were expensed and allocated to major functional groups.





## Financial Performance

### Notes to Financial Statements

March 31, 2010 (continued)

The significant assumptions adopted in measuring the accrued benefit obligations and pension expenses are as follows:

	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan	
	2010	2009	2010	2009	2010	2009
Discount rate to determine the accrued benefit obligation	6.30%	7.30%	6.30%	7.30%	6.30%	7.30%
Discount rate to determine the benefit cost	7.30%	5.50%	7.30%	5.50%	7.30%	5.50%
Investment return	6.50%	6.50%	N/A	N/A	N/A	N/A
Pension indexation	2.50%	2.50%	2.50%	2.50%	N/A	N/A
Salary rate increase	3.50%	3.50%	3.50%	3.50%	N/A	N/A
Health cost rate increase	N/A	N/A	N/A	N/A	7.00%	7.00%
Dental cost rate increase	N/A	N/A	N/A	N/A	4.50%	4.50%
Average remaining service lifetime	11	11-12	12	6	11	11

The health cost rate increase assumption is expected to decrease to 5% by 2016.

Defined benefit plan assets as at January 1 measurement date consisted of:

Asset category	Percentage of Total Fair Value of Plan Assets	
	2010	2009
Equity securities	57%	54%
Debt securities	38%	46%
Real estate fund	5%	-



## 5. INVESTMENTS HELD FOR CAPITAL RENEWAL

To ensure that the Authority's technical capital assets keep pace with technological changes and can be maintained or replaced when needed, the Capital Renewal Fund was established in 1984. The Authority can set aside up to 2% of the funding received as contribution to the Capital Renewal Fund. Available funds were invested in short-term deposits that earned an average interest rate of 0.6% (2009 - 2.6%) during the fiscal year. The changes in the fund were as follows:

(\$000s)	2010	2009
Balance, beginning of year	7,757	6,078
Master Control rebuild project funding - Ministry of Education	(1,360)	1,628
Allocation of grants - Ministry of Education (notes 9 & 10)	-	753
Interest earned	28	107
Digital Conversion project funding - Ministry of Education	(733)	(745)
CRF drawing	-	(64)
	<b>5,692</b>	<b>7,757</b>

## 6. NET CAPITAL ASSETS AND ASSET RETIREMENT OBLIGATION

Capital assets consist of the following:

(\$000s)	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	186	-	186	186
Buildings	4,812	3,915	897	1,009
Transmitters	24,935	23,380	1,555	1,952
Transmitter monitoring equipment	4,834	4,509	325	432
In house technical equipment	30,480	20,608	9,872	10,325
Leasehold improvements	8,445	5,821	2,624	3,551
Computer equipment	8,107	5,393	2,714	3,226
Office furniture and fixtures	1,872	637	1,235	1,323
Office equipment	975	848	127	148
Vehicles	731	547	184	149
	<b>85,377</b>	<b>65,658</b>	<b>19,719</b>	<b>22,301</b>



# Financial Performance

## Notes to Financial Statements

March 31, 2010 (continued)

### Asset Retirement Obligation

The Authority recognized a liability for future decommissioning of its transmitter and low power repeat transmitter (LPRT) facilities. All LPRTs are situated on leased premises and, as these lease contracts may not be renewed, the Authority will recognize the full decommissioning expense by the end of the leases, most of which expire by 2012. In determining the fair value of its asset retirement obligations, the Authority discounted the associated cash flows at 5.8% as set out in the table below. The total undiscounted amount of the estimated future obligations is \$1,272,000 (2009 - \$1,273,000).

(\$000s)	2010	2009
Opening balance	1,075	1,016
Accretion expense	61	59
Closing balance	1,136	1,075

### 7. BROADCAST RIGHTS AND PRODUCTION COSTS

Broadcast rights and production costs consist of the following:

(\$000s)	2010		2009
	Cost	Accumulated Amortization	Net Book Value
Broadcast rights and completed productions	39,208	24,309	14,899
Work in progress	2,263	-	2,263
	41,471	24,309	17,162

Amortization expense for the year was \$10,163,000 (2009 - \$9,581,000) and is included in Content and Programming expense.

### 8. DEFERRED REVENUE

(\$000s)	2010	2009
Corporate project funding (note 11)	338	414
Sponsorship revenue	284	284
Transmitter tower rental and maintenance	255	251
ILC - MED grant and provincial project funding (note 16)	406	105
Other	91	10
	1,374	1,064

Expenditures related to the above deferrals have been budgeted for the 2011 fiscal year.

## 9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received for the purchase of capital assets and are recorded as revenue (amortization of deferred capital contributions) in the Statement of Operations when the related capital assets are amortized. The changes in the deferred contributions balance are as follows:

(\$000s)	2010	2009
<b>Deferred capital contributions, beginning of year</b>	<b>19,364</b>	<b>18,707</b>
Digital Conversion project funding *	565	2,039
Master Control rebuild project funding *	1,628	1,999
Air Pack/Mobile production unit project funding	-	400
Digital Conversion and Master Control rebuild project funding deferred from prior year	(2,899)	(2,016)
	<b>(706)</b>	<b>2,422</b>
Allocation of Ministry of Education grant (notes 5 & 10)	-	753
Interest earned	27	107
Capital assets funded by capital renewal fund	-	64
Amortization of deferred capital contributions to revenue	(2,633)	(2,625)
Capital renewal fund drawing	-	(64)
	<b>(2,606)</b>	<b>(1,765)</b>
<b>Deferred capital contributions, end of year</b>	<b>16,052</b>	<b>19,364</b>

\* Digital Conversion project funding is for the purpose of replacing studio and post production equipment with digital equipment and to support a digital asset management installation. As of March 31, 2010, the total \$10.44 million funding that was committed by the provincial government to complete the project has been received.

The provincial government has also provided \$2 million in 2009 to rebuild the Master Control in digital.



## Financial Performance

### Notes to Financial Statements

March 31, 2010 (continued)

#### 10. GOVERNMENT OPERATING GRANTS

(\$000s)	2010	2009
<b>Provincial</b>		
Ministry of Education		
Base grant	36,040	37,640
Capital maintenance grant	1,600	2,000
Amount allocated for capital renewal (note 5)	-	(753)
	<b>37,640</b>	<b>38,887</b>

#### 11. GOVERNMENT AND CORPORATE PROJECT FUNDING

(\$000s)	2010	2009
<b>Provincial project funding</b>		
Ministry of Education (MED)		
Master Control rebuild	-	2,000
OFECA transition	-	1,000
Digital Conversion	600	850
Air Pack/Mobile production unit	-	400
Other MED project funding	-	237
Deferred capital contribution	706	(2,422)
	<b>1,306</b>	<b>2,065</b>
<b>Corporate project funding</b>		
Funding received during the year	497	785
Funding deferred from prior year (note 8)	414	431
Funding deferred to future year (note 8)	(338)	(414)
	<b>573</b>	<b>802</b>
	<b>1,879</b>	<b>2,867</b>

## 12. OTHER EARNED REVENUE AND COST

(\$000s)	2010			2009		
	Revenue	Cost	Net Revenue	Revenue	Cost	Net Revenue
Individual and corporate donations	5,180	2,263	2,917	5,596	2,377	3,219
Revenue from OFECA (note 18)	70	-	70	609	-	609
Tower rental and transmitter maintenance	1,430	-	1,430	1,481	-	1,481
Interest income and foreign exchange gain and loss	118	-	118	932	-	932
Sales and Licensing	278	191	87	397	470	(73)
Property tax rebate program for charities	276	-	276	319	-	319
Asset disposal	40	-	40	26	-	26
Others	27	-	27	203	-	203
	<b>7,419</b>	<b>2,454</b>	<b>4,965</b>	<b>9,563</b>	<b>2,847</b>	<b>6,716</b>

## 13. EXPENSES

### (a) Allocated Expenses

The Authority allocates certain general expenses to major activities on the following bases:

- Building cost – based on floor area occupied by the activity
- Cost of mailing, shipping and printing – based on usage

Total general expenses allocated to major functional groups are as follows:

(\$000s)	2010	2009
Content and programming	1,438	1,497
Technical and production support services	725	808
Independent Learning Centre	622	638
Management and general	582	625
Cost of other earned revenue	90	113
	<b>3,457</b>	<b>3,681</b>



## Financial Performance

### Notes to Financial Statements

March 31, 2010 (continued)

#### (b) Expenses by Type

The Statement of Operations reports on expenses by activity. Expenses by type during the fiscal year are as follows:

(\$000s)	2010	2009
Salaries and wages	27,280	26,653
Employee benefits	6,827	4,670
Employee future benefits	2,223	2,018
Licences and other	8,419	8,494
Facilities	4,744	4,914
Transportation & Communication	2,531	2,606
Other services	6,676	7,540
Supplies and equipment	1,203	1,096
Amortization of capital assets	5,195	5,228
	<b>65,098</b>	<b>63,219</b>

#### 14. COMMITMENTS

The Authority has entered into operating leases covering transmission facilities, offices, warehouses and equipment. Future lease payments are as follows:

Year ending March 31 (\$000s)	Head Office Space	Others	Total
2011	1,254	829	2,083
2012	1,254	395	1,649
2013	1,324	236	1,560
2014	1,373	126	1,499
2015	1,362	89	1,451
2016 and beyond	17,387	99	17,486
	<b>23,954</b>	<b>1,774</b>	<b>25,728</b>

The lease of head office space expires on August 31, 2027

## 15. CONTRIBUTED MATERIALS AND SERVICES

The Authority benefits from the services of volunteers primarily in the Donations area. The Authority also receives contributions of materials for use mainly in fundraising activities. Due to the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

## 16. THE INDEPENDENT LEARNING CENTRE

Under the terms of an agreement with the Ministry of Education and the Ministry of Training, Colleges and Universities, the Independent Learning Centre (ILC) was transferred to the Authority in 2002.

The ILC provides a wide range of distance education courses, in English and in French that allow adults to earn secondary school diploma credits, upgrade their basic skills, or study for personal development. It also supports children who may not be able to access elementary day school programs. The General Education Development (GED) testing is also available through the ILC.

Funding for these activities includes a grant from the Ministry of Education and ILC earned revenues. The portion of the grant that has been identified for specific projects (course development) is deferred until the related expenses have been incurred.

(\$000s)	2010	2009
<b>Activities were funded by:</b>		
Ministry of Education ILC grant	6,421	6,421
Homework Help project	1,000	218
Funding deferred from prior year (note 8)	105	135
Funding deferred to future year (note 8)	(406)	(105)
<b>ILC grant and project funding recognized</b>	<b>7,120</b>	<b>6,669</b>
ILC earned revenues	2,864	2,399
<b>Total ILC grant, project funding and earned revenue</b>	<b>9,984</b>	<b>9,068</b>
<b>Expenses during the year:</b>		
Salaries and benefits	6,919	6,506
Transportation and communication	727	640
Services	744	587
Allocated general expenses (note 13)	622	638
Licences	358	343
Supplies, equipment and others	143	89
<b>Total ILC expenses</b>	<b>9,513</b>	<b>8,803</b>
<b>ILC contribution to overhead</b>	<b>471</b>	<b>265</b>

Direct expenses related to the funding deferred to future year have been budgeted for the 2011 fiscal year.





# Financial Performance

## Notes to Financial Statements

March 31, 2010 (continued)

### 17. CONTINGENCIES

Contingencies refer to possible legal claims that have been made by or against the Authority, the ultimate outcome of which cannot be predicted with certainty. Management does not expect that the outcome of the claims against the Authority will have a material and adverse effect on its results and does not believe any provisions for losses are necessary at this time. No amounts have been recognized in the accounts for claims made by the Authority. Any settlements will be accounted for at the time of settlement.

### 18. RELATED PARTY TRANSACTIONS

The Authority is a Crown Corporation of the Province of Ontario and is therefore a related party to other organizations that are controlled by or subject to significant influence by the Province. During 2010, the Authority received revenue for transmitter maintenance services and expense reimbursements from the Ontario French-language Educational Communications Authority (OFECA). Services related to master control and warehousing were discontinued and there were no reimbursements for satellite telecommunication expenses in 2010. In addition to its transactions with the OFECA, the Authority received sponsorship revenue from Provincial ministries and agencies, and revenue from Ontario school boards for Independent Learning Centre (ILC) course fees and sales of educational materials. These transactions were recorded at exchange amounts agreed to by the related parties.

Non-grant revenue received from related parties during the year are as follows:

(\$000s)	2010	2009
School boards	1,007	895
Provincial ministries	402	247
OFECA	70	609
Others	20	20
	<b>1,499</b>	<b>1,771</b>

In addition, OFECA reimbursed \$84,000 (2009 - \$240,000) to the Authority for satellite telecommunication, utilities and other charges.









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